



CGHC010073202026



2026:CGHC:27733

NAFR**HIGH COURT OF CHHATTISGARH AT BILASPUR****ARBR No. 8 of 2026**

Allied SBEPL (JV) Through Vinay Kumar Agrawal S/o Late Arun Kumar Agrawal, Aged About 37 Years, Authorised Representative of Allied- SBEPL (JV) 3rd Floor Luxura and Edge, Chember No-310, Block C, Mowa, Dr. Bhimrao Ambedkar Ward, Mowa Raipur, District Raipur (C.G.) -492001 Having Its Registered Office At/ PO Belapahar (RS) District- Jharsuguda, Odisha 768217

... Applicant**versus**

Rites Limited Scope Minar, Core- 1, Laxmi Nagar, Delhi-110092 Also At Shikhar, Plot No.01, Sector-29, Gurugram-122001, Email Id Info@Rites.Com

... Respondent

For Applicant : Mr. Shobhit Mishra, Advocate and Ms. Aditi Anup, Advocate (through video-conferencing).

For Respondent : Mr. Ravi Ranjan Sinha and Mr. Shubham Singh, Advocate.

Hon'ble Mr. Ramesh Sinha, Chief Justice
Order on Board

06.07.2026

1. This is an application under Section 11(6) of the Arbitration and Conciliation Act, 1996 for appointment of an Arbitrator.
2. The facts, in brief, as projected by the applicant are that the present applicant is a company registered under the Indian Companies Act, 2013. Pursuant to a Letter of Award dated 13.04.2017, a formal Contract Agreement dated 23.06.2017 was executed between the applicant and the

respondent for construction of 10 major bridges under Package-VA of the NTPC Lara MGR Railway Siding Project. The contract incorporated the General Conditions of Contract (GCC), including Clause 25, which provides for resolution of disputes by arbitration. In accordance with the contractual terms, the applicant executed the works and completed the same on 31.03.2022. The works were carried out to the satisfaction of the respondent, and a maintenance/defect liability period commenced thereafter as per the contract conditions. During the maintenance period, the applicant continued to discharge its contractual obligations and attended to all site requirements. No defect liability notices or termination actions were issued by the respondent during the said period, and the bridges constructed under the contract have remained operational. The applicant vide Letter No. ALLIED-SBEPL (JV)/22-23/25 dated 06.02.2023 wrote to the respondent confirming the completion of all the work under the contract on 31.03.2022. The applicant submitted the Final Payment Statement for the project, which included a total claimed amount of Rs. 1,24,81,80,413.56/-for the execution of the work pursuant to Clause 9 of the Contract Agreement. While certain part payments were made by the respondent, the Final Bill and related dues were not finalized despite repeated representations. The applicant addressed several communications to the respondent seeking reconciliation and release of the outstanding contractual dues. Despite such correspondence and discussions, differences arose between the parties with respect to finalization of the Final Bill, escalation amounts, and consequential payments under the contract.

3. In view of the subsisting disputes, the applicant through Letter No. ALLIED-SBEPL(JV)/25-26/04 dated 17.07.2025 invoked the dispute resolution mechanism under Clause 25 of the GCC and approached the Appellate Authority seeking amicable resolution in view of the respondent's denial of

payment under the final bill. However, the said efforts did not result in settlement of the disputes within the stipulated time. Clause 25 of the GCC has been reproduced herein below for this Hon'ble Court's reference:

"Settlement of Disputes and Arbitration

Except where otherwise provided in the Contract all questions and disputes relating to the meaning of the specifications, design, drawings and instructions herein before mentioned and as to the quality of workmanship or materials used on the work or as to any other question, claim, right, matter or thing whatsoever in any way arising out of or relating to the Contract, designs, drawings, specifications, instructions, orders or these conditions or otherwise concerning the works or the execution or failure to execute the same whether arising during the progress of the work or after the cancellation, termination, completion or abandonment thereof shall be dealt with as mentioned hereinafter:

1.If the Contractor considers any work demanded of him to be outside the requirements of the Contract, or disputes any drawings, record or decision given in writing by the Engineer on any matter in connection with or arising out of the Contract or carrying out of the work, to be unacceptable, he shall promptly within 15 days request the Engineer-in-Charge in writing for written instruction or decision. Thereupon, the Engineer-in-Charge shall give his written instructions or decision within a period of one month from the receipt of the Contractor's letter.

If the Engineer-in-Charge fails to give his instructions or decision in writing within the aforesaid period or if the Contractor is dissatisfied with the instructions or decision of the Engineer-in-Charge, the Contractor may, within 15 days of the receipt of the Engineer-in-Charge decision, appeal to the Appellate Authority specified in Schedule 'F' who shall afford an opportunity to the Contractor to be heard, if he so desires, and to offer evidence in support of his appeal. The Authority shall give his decision within 30 days of receipt of Contractor's appeal. If the Contractor is dissatisfied with this decision, the Contractor shall within a period of 30 days from the decision, give notice to the Appointing Authority specified in Schedule F for appointment of arbitrator, failing which the said decision shall be final, binding and conclusive and not subject to adjudication by the arbitrator.

2. Except where the decision has become final, binding and conclusive in terms of Para (1) above, disputes or differences shall be referred for adjudication by arbitration by a sole arbitrator appointed by the Appointing Authority: The choice of Arbitrator by the Appointing Authority will be governed by the fact whether the dispute is (i) between two Public Sector Enterprises or (ii) between a Public Enterprise and a Government Department or (iii)

Otherwise.

In case the dispute does not fall under item (i) or (ii) of this Para the Authority shall appoint the sole Arbitrator. Within 30 days of receipt of notice from the Contractor to refer the dispute for Arbitration, the Appointing Authority stipulated in Schedule F shall send to the Contractor a list of three serving officers of appropriate status depending on the total value of claim, who have not been connected with the work under the Contract. The Contractor shall, within 15 days of receipt of this list select and communicate to the Appointing Authority, the name of one officer from the list who shall then be appointed as the Sole Arbitrator. If the Contractor fails to communicate his selection of name within the stipulated period, the Appointing Authority shall without delay, select one officer from the list and appoint him as the Sole Arbitrator."

4. The applicant, vide Letter No. ALLIED-SBEPL(JV)/25-26/04, addressed to the Appointing Authority, namely the Director (Projects), called upon the respondent to propose names in order to enable the applicant to accord its consent for the appointment of a Sole Arbitrator. Despite the lapse of more than thirty (30) days from the applicant's earlier letter dated 17.07.2025, the Appointing Authority failed to take any steps in accordance with the contractual procedure. The contractual procedure for appointment of an arbitrator has thus failed, and that live and arbitrable disputes continue to subsist between the parties arising out of and in connection with the contract. Further, Clause 25(2) of the GCC, which envisages constitution of a Sole Arbitrator exclusively from a panel of serving officers of the respondent organization (RITES), is contrary to the provisions of the Arbitration and Conciliation Act, 1996, which mandates the independence and impartiality of arbitrators. Reliance on such a clause has been held arbitrary, violative of natural justice, and unconstitutional under Article 14 of the Constitution of India. The Hon'ble Supreme Court through its order dated 08.11.2024 in the matter between Central Organization for Railway Electrification Vs M/s ECI SPIC SMO MCML JV) A Joint Venture Company termed such procedure of unilateral appointments based on the panel of a company, being violative of Article-14 of constitution of India and therefore invalid. Hence, no

appointment of Arbitrator is to be carried out from the panel of the RITES. The respondent, vide letter No. RITES/NTPC-LARA/PKGVA/Dispute/1619 dated 16.09.2025 denied all claims of the applicant, rejected their request for a Sole Arbitrator. They asserted that the applicant's claims under the Final Bill are unfounded thereby making the request for settlement under Clause 25 of the GCC unjustified. In the circumstances, the applicant is left with no remedy but to move the present petition before this Hon'ble Court seeking appointment of sole arbitrator under Section 11 of the Arbitration and Conciliation Act, 1996.

5. Learned counsel for the respondent opposes this arbitration request application, however he submits that the respondent shall have no objection if this Court appoints any Arbitrator for resolving the dispute between the parties.
6. I have heard learned counsel appearing for the parties, perused the pleadings and documents appended thereto.
7. A query was put to learned counsel appearing for the parties as to whether they are agreeable for a common name who can be appointed as Arbitrator, learned counsel for the parties submitted that they would have no objection if any retired Judge of this High Court is appointed as the Sole Arbitrator. They further submit that Hon'ble Mr. Justice Arvind Kumar Verma, who is a retired Judge of this High Court may be appointed as the Sole Arbitrator.
8. In view of the above consensus between the learned counsel for the parties, **Hon'ble Mr. Justice Arvind Kumar Verma**, a retired Judge of this High Court is appointed to act as the Sole Arbitrator to resolve the dispute involved in this arbitration request between the parties.
9. The Registry is directed to communicate this order to Hon'ble Mr. Justice Arvind Kumar Verma in the proper address.

- 10.** The remuneration of the Arbitrator shall be settled with the mutual consent of the parties.
- 11.** The arbitration request petition, accordingly, stands **allowed**.

**Sd/-
(Ramesh Sinha)
Chief Justice**

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